

EXHIBIT 1

Page 1

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA

IN RE SANDRIDGE ENERGY,) No. CIV-12-1341-W
INC. SECURITIES LITIGATION) Relating to All
) Securities Actions

620 Eighth Avenue
New York, New York

April 19, 2018

9:07 a.m.

VIDEOTAPED DEPOSITION of JAMES MACE,
on behalf of Lead Plaintiffs Laborers
Pension Trust Fund for Northern Nevada,
in the above-entitled action, held at the
above time and place, taken before Dawn
Matera, a Shorthand Reporter and Notary
Public of the State of New York

<p>1 JAMES MACE</p> <p>2 Q. Who did you meet with?</p> <p>3 A. Frank and Nathan.</p> <p>4 Q. And those are the two attorneys</p> <p>5 who are here with you today?</p> <p>6 A. Yes.</p> <p>7 Q. How long did you meet with</p> <p>8 them?</p> <p>9 A. Three hours.</p> <p>10 Q. Did you do anything else to</p> <p>11 prepare for your deposition?</p> <p>12 A. No.</p> <p>13 Q. And in the course of the three</p> <p>14 hour meeting that you had with your</p> <p>15 counsel to prepare for your deposition,</p> <p>16 did you review any documents?</p> <p>17 A. Yes.</p> <p>18 Q. What documents did you review?</p> <p>19 (DIRECTION NOT TO ANSWER)</p> <p>20 MR. KARAM: I object and direct</p> <p>21 the witness not to answer based on</p> <p>22 work product privilege.</p> <p>23 MR. GIMBEL: Okay.</p> <p>24 Q. Did any of the documents that</p> <p>25 you reviewed refresh your recollection as</p>	<p>Page 10</p> <p>1 JAMES MACE</p> <p>2 the course of your preparation or any</p> <p>3 other time?</p> <p>4 A. No.</p> <p>5 Q. There is a -- you will see on</p> <p>6 page 2 that it gives notice, among other</p> <p>7 things, of the deposition of the Laborers</p> <p>8 Pension Trust Fund for Northern Nevada.</p> <p>9 And on pages 4, 5 and -- 4 through 7, it</p> <p>10 has a list of topics of examination.</p> <p>11 Have you ever reviewed that</p> <p>12 list of topics for examination?</p> <p>13 A. No.</p> <p>14 Q. So I take from the fact that</p> <p>15 you haven't reviewed the list, that you</p> <p>16 didn't do anything to prepare yourself to</p> <p>17 testify on behalf of Northern Nevada on</p> <p>18 these 22 topics?</p> <p>19 MR. KARAM: Objection. Assumes</p> <p>20 facts not in evidence.</p> <p>21 Q. You can answer the question.</p> <p>22 A. Would you repeat that?</p> <p>23 Q. I will rephrase the question.</p> <p>24 A. Okay.</p> <p>25 Q. Did you do anything to prepare</p>
<p>1 JAMES MACE</p> <p>2 to the matters that we are going to be</p> <p>3 discussing here today?</p> <p>4 A. Yes.</p> <p>5 Q. Why don't you tell us, for the</p> <p>6 record, what those documents were.</p> <p>7 A. The complaint. The retainer</p> <p>8 agreement. I think that's all I recall</p> <p>9 that we looked at.</p> <p>10 Q. Anything else?</p> <p>11 A. Not that I recall.</p> <p>12 Q. Okay.</p> <p>13 MR. GIMBEL: We're going to mark</p> <p>14 as Exhibit 1, the Notice of Your</p> <p>15 Deposition.</p> <p>16 [The Notice of Deposition,] was</p> <p>17 hereby marked as Mace Exhibit 1 for</p> <p>18 identification, as of this date.]</p> <p>19 Q. Do you have Exhibit 1 in front</p> <p>20 of you?</p> <p>21 A. Yes.</p> <p>22 Q. Do you recognize this document?</p> <p>23 (Witness reviews document.)</p> <p>24 A. No.</p> <p>25 Q. Did you review it before, in</p>	<p>Page 11</p> <p>1 JAMES MACE</p> <p>2 to testify today as to the list of topics</p> <p>3 in the deposition notice that has been</p> <p>4 marked as Exhibit 1?</p> <p>5 A. No.</p> <p>6 Q. Scanning down the list, can you</p> <p>7 tell me if there are topics on this list</p> <p>8 which you're prepared to not to testify</p> <p>9 to today?</p> <p>10 A. I'm sure they will come up.</p> <p>11 Again, I have not seen this document, so</p> <p>12 I can't -- without reading it.</p> <p>13 Q. So we'll try to get through the</p> <p>14 deposition, as best we can.</p> <p>15 A. Okay.</p> <p>16 Q. Why don't we just start with a</p> <p>17 couple of background questions.</p> <p>18 A. Okay.</p> <p>19 Q. If you could summarize for me,</p> <p>20 briefly, your educational background,</p> <p>21 beginning with where you went to college?</p> <p>22 A. Graduated from the University</p> <p>23 of California at Santa Barbara. And then</p> <p>24 became a CPA in the State of Nevada in</p> <p>25 the '80s, early '80s. Have been a fund</p>

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<p>1 JAMES MACE 2 A. Maybe four. 3 Q. Is that the only law firm that 4 you have such an arrangement with? 5 A. Yes. 6 Q. Why don't we mark as Exhibit 2 7 Lead Plaintiffs' Responses and Objections 8 to Defendants' James Bennett and Matthew 9 Grubb's First Set of Interrogatories. 10 [The document titled Lead 11 Plaintiffs' Responses and Objections 12 to Defendants James D. Bennett and 13 Matthew K. Grubb's First Set of 14 Interrogatories, was hereby marked as 15 Mace Exhibit 2 for identification, as 16 of this date.] 17 Q. Let me know when you have 18 Exhibit 2 in front of you. 19 A. I have Exhibit 2 in front of 20 me. 21 Q. Do you recognize this document? 22 (Witness reviews document.) 23 A. Yes. 24 Q. And have you reviewed it 25 before?</p>	<p>Page 22</p> <p>1 JAMES MACE 2 A. Yes, I did. 3 Q. So you believe the responses in 4 this document to be true? 5 A. Yes. 6 Q. And when you were mistaken a 7 moment ago and you thought you were 8 looking at the complaint, you haven't 9 read every word of the complaint? 10 A. That's correct. 11 Q. Fair enough. 12 On page 19, if you will take a 13 look at that, you see at the top of the 14 page it identifies four securities class 15 actions in which the Laborers Pension 16 Trust Fund for Northern Nevada sought to 17 become a Lead Plaintiff. 18 Do you have that in front of 19 you? 20 A. I do, yes. 21 Q. And it states that Robbins 22 Geller served as counsel in each of those 23 four cases; is that correct? 24 A. Yes. 25 Q. Could you briefly describe for</p>
<p>1 JAMES MACE 2 A. I have seen it. I haven't read 3 every word. 4 Q. Am I correct, sir, that you 5 verified these interrogatory responses? 6 A. I did, yes. 7 Q. And you did that without 8 reading every word? 9 A. I thought this was the -- 10 (Witness reviews document.) 11 A. I'm sorry, I thought this was 12 the complaint. 13 Q. Have you seen this document 14 before? 15 A. Yes. 16 Q. And why don't you tell me what 17 you think this document is then, so that 18 we're all on the same page. 19 A. I thought this was -- I believe 20 this is responses to questions by your 21 firm about the complaint. 22 Q. And have you read every word of 23 this document? 24 A. Most, but not every word. 25 Q. And you verified this document?</p>	<p>Page 23</p> <p>1 JAMES MACE 2 the record -- obviously, one of those 3 cases is this case, so we will leave that 4 out.</p> <p>5 But the three other cases, can 6 you briefly describe for the record what 7 each of those cases was about, starting 8 with the first Glass versus ATI 9 Technologies?</p> <p>10 A. I don't recall what Glass was 11 specifically about.</p> <p>12 The second was Children's 13 Place. That was where there was errors 14 made by the executives.</p> <p>15 I don't -- and then I don't --</p> <p>16 obviously, we're passing SandRidge.</p> <p>17 And I don't recall what Boffl 18 Holdings was.</p> <p>19 Q. So let me go back for a second 20 to Robbins Geller serving as your counsel 21 in all of these cases.</p> <p>22 I think you testified earlier</p> <p>23 that you had an arrangement with Robbins</p> <p>24 Geller where they identified potential</p> <p>25 litigation to you; is that right?</p>

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<p>1 JAMES MACE 2 A. Yes. 3 Q. And were all of these cases 4 identified to you by Robbins Geller to 5 Northern Nevada? 6 A. Yes. 7 Q. As potential claims? 8 A. Yes. 9 MR. KARAM: Let counsel finish. 10 THE WITNESS: I know, I know. 11 Sorry. 12 Q. So the idea of filing 13 litigation in each of these cases 14 originated with Robbins Geller. 15 Would that be fair to say? 16 A. Yes. 17 Q. How did Northern Nevada's 18 relationship with Robbins Geller begin? 19 A. Years ago, to the best of my 20 recollection, they contacted Mr. Jenkins 21 and offered to provide this service. And 22 Mr. Jenkins accepted or recommended that 23 the Trust Fund accept their services. 24 Q. And since Mr. Jenkins is 25 sitting right here with us, it would be</p>	<p>Page 26</p> <p>1 JAMES MACE 2 And you talked about the Hall 3 case is a case involving some errors by 4 the Children's Place retail stores? 5 A. Yes. 6 Q. Am I correct that that case 7 ultimately ended in a settlement? 8 A. Yes. 9 Q. So there was no judicial 10 decision on the merits of those claims, 11 correct? 12 MR. KARAM: Objection. Calls 13 for a legal conclusion. 14 Q. You can answer the question. 15 A. I believe so, yes. 16 Q. How about the Glass case, am I 17 correct that there was a judicial 18 decision on the merits of that case? 19 A. I don't recall. 20 Q. Let me take a step back. 21 We will go back to the Glass 22 case in a minute. 23 But it says in the 24 interrogatory response that Northern 25 Nevada sought to become a Lead Plaintiff</p>
<p>1 JAMES MACE 2 discourteous not to ask for the record 3 what services he performs for Northern 4 Nevada? 5 A. He's Trust Fund legal counsel. 6 Q. Okay. And for how long has he 7 occupied that position? 8 A. 30, 40 years. 9 Q. Did you ever consider using a 10 firm other than Robbins Geller for any of 11 these four cases listed in the 12 interrogatories? 13 A. No. 14 Q. Did you ever interview another 15 firm? 16 A. No. 17 Q. Have you ever sought securities 18 litigation advice from a firm other than 19 Robbins Geller? 20 A. No. 21 Q. Why not? 22 A. It's not a primary function of 23 the Trust Fund. 24 Q. I want to talk about and talk a 25 little bit about each of these cases.</p>	<p>Page 27</p> <p>1 JAMES MACE 2 in each of these cases or a Class 3 representative, correct? 4 A. Yes. 5 Q. And was it, in fact, appointed 6 Lead Plaintiff or Class representative in 7 each of these cases; do you know? 8 A. Don't know. 9 Q. But the BofI case, that is 10 still pending; is that correct? 11 A. I don't know. 12 Q. Was filed in February of 2016, 13 correct? 14 A. Correct. 15 Q. And you have no recollection of 16 what that case is about? 17 A. I do not. 18 Q. Do you know what BofI is? 19 A. I do not. 20 Q. Who at Northern Nevada would 21 know that? 22 A. Perhaps Mr. Jenkins. 23 Q. Is there anyone internal to 24 Northern Nevada, if you will, any 25 trustees of Northern Nevada or anyone who</p>

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<p>1 JAMES MACE 2 filed.</p> <p>3 I am going to ask you to take a 4 look at the Court's discussion, beginning 5 on page 15.</p> <p>6 Do you see the paragraph that 7 begins "As stated above, Plaintiffs 8 specify in their consolidated amended 9 class action complaint 16 allegedly 10 misleading statements made by Defendants 11 or other parties during the Class 12 period"?</p> <p>13 A. Yes.</p> <p>14 Q. And just you can take your time 15 to look at this, I just want to know 16 whether this refreshes your recollection 17 at all as to this litigation?</p> <p>18 A. No, it does not.</p> <p>19 Q. Was it fair to say this case 20 was basically run by your outside counsel 21 at the time, and Northern Nevada didn't 22 have much involvement in it day-to-day?</p> <p>23 MR. KARAM: Objection.</p> <p>24 Q. You can answer the question.</p> <p>25 MR. KARAM: Objection. That</p>	<p>Page 34</p> <p>1 JAMES MACE 2 Q. But nobody inside of Northern 3 Nevada would know the disposition of this 4 case?</p> <p>5 A. Correct.</p> <p>6 MR. GIMBEL: So why don't we 7 mark Exhibit 6.</p> <p>8 [The retainer agreement between 9 Laborers Pension Trust Fund for 10 Northern Nevada and the law firm of 11 Milberg Weiss Bershad Hynes & Lerach, 12 LLP, Bates stamped NNEV0000001 13 through 004, was hereby marked as 14 Mace Exhibit 6 for identification, as 15 of this date.]</p> <p>16 Q. Exhibit 6 is an agreement 17 between Laborers Pension Trust Fund for 18 Northern Nevada and the law firm of 19 Milberg Weiss Bershad Hynes & Lerach, 20 LLP. It is Bates numbered NNEV 1 through 21 4.</p> <p>22 Do you have that document in 23 front of you?</p> <p>24 A. Yes.</p> <p>25 Q. Do you recognize this document?</p>	<p>Page 36</p>
<p>1 JAMES MACE 2 assumes facts not in evidence.</p> <p>3 A. I don't know.</p> <p>4 Q. Who at Northern Nevada would 5 know the answer to that question?</p> <p>6 A. Perhaps Mr. Jenkins.</p> <p>7 Q. And Mr. Jenkins, again, is your 8 outside counsel?</p> <p>9 A. Correct.</p> <p>10 Q. Is Mr. Jenkins also someone who 11 has appeared as a Plaintiff's lawyer in 12 securities litigation on behalf of 13 Northern Nevada?</p> <p>14 A. In the Children's Place, yes.</p> <p>15 Q. The order that has been marked 16 as Exhibit 5 dismisses the complaint in 17 the ATI case.</p> <p>18 Did Northern Nevada, to your 19 recollection, ever appeal that decision?</p> <p>20 A. I don't know.</p> <p>21 Q. And who would have the answer 22 to that question?</p> <p>23 A. Legal counsel.</p> <p>24 Q. And that's Mr. Jenkins, again?</p> <p>25 A. And Robbins Geller, yes.</p>	<p>Page 35</p> <p>1 JAMES MACE 2 (Witness reviews document.)</p> <p>3 A. Yes.</p> <p>4 Q. Would you please identify it 5 for the record?</p> <p>6 A. It's a retainer agreement for 7 portfolio monitoring.</p> <p>8 Q. And what was the purpose of 9 this agreement, as you understood it?</p> <p>10 A. The process was that the Trust 11 Fund would send information to this law 12 firm. And they would review -- 13 investment information to the law firm. 14 And they would review the transactions of 15 the portfolio of the Trust, and they 16 would make recommendations to Mr. Jenkins 17 or the Trust Fund legal counsel who would 18 then, in turn, would take that 19 information to the Board of Trustees to 20 make a decision as to whether to follow 21 those recommendations.</p> <p>22 Q. Okay. And would it be fair to 23 say that, in essence, Northern Nevada 24 outsourced the function of identifying 25 potential litigation claims to its</p>	<p>Page 37</p>

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<p style="text-align: right;">Page 38</p> <p>1 JAMES MACE 2 counsel? 3 A. Yes. 4 Q. And this particular agreement 5 is with the firm of Milberg Weiss -- 6 A. Yes. 7 Q. -- correct? 8 You were the primary contact 9 for Northern Nevada under this agreement, 10 correct? 11 A. Outside legal counsel would 12 have been. Mr. Jenkins would have been. 13 Q. I ask you to look at paragraph 14 10. 15 A. Correct. 16 Q. And it designates two parties 17 as primary contacts under the agreement. 18 Do you see that? 19 A. I do. 20 Q. And you're designated for 21 Northern Nevada as the primary contact? 22 A. Right. They would provide 23 information to me along with Mr. Jenkins. 24 Q. But functionally, Mr. Jenkins 25 was playing a greater role; is that fair?</p>	<p style="text-align: right;">Page 40</p> <p>1 JAMES MACE 2 Against ATI Technologies," was hereby 3 marked as Mace Exhibit 7 for 4 identification, as of this date.] 5 Do you see that? 6 (Witness reviews document.) 7 A. I do. 8 Q. And I am going to direct your 9 attention to the second paragraph. 10 Do you see that it is 11 soliciting persons who might wish to 12 serve as Lead Plaintiff in the ATI 13 securities litigation? 14 A. Yes. 15 Q. And it directs anybody who 16 might be interested in performing that 17 role to please contact Plaintiff's 18 counsel William Lerach. 19 Do you see that? 20 A. Yes. 21 Q. Does that refresh your 22 recollection that Mr. Lerach solicited 23 Lead Plaintiffs for the ATI Technologies 24 securities case? 25 MR. KARAM: Objection.</p>
<p style="text-align: right;">Page 39</p> <p>1 JAMES MACE 2 A. Yes. 3 Q. And the primary contact who's 4 designated at Milberg Weiss was William 5 Lerach; is that right? 6 A. That's what it says. 7 Q. Okay. Mr. Lerach was 8 responsible for soliciting lead 9 Plaintiffs, in fact, for at least one of 10 the lawsuits in which Northern Nevada 11 participated; is that right? 12 MR. KARAM: Objection. The 13 witness is not competent. But if you 14 know, go ahead. 15 Q. Go ahead. 16 A. I don't know. 17 MR. GIMBEL: I ask the court 18 reporter to mark as Exhibit 7, a press 19 release titled "Lerach Coughlin Stoia 20 Geller Rudman & Robbins LLC Files 21 class Action Suit Against ATI 22 Technologies." 23 [The press release titled 24 "Lerach Coughlin Stoia Geller Rudman 25 & Robbins LLC Files Class Action Suit</p>	<p style="text-align: right;">Page 41</p> <p>1 JAMES MACE 2 Competence. Go ahead. 3 Q. You can answer the question. 4 MR. KARAM: You have to use 5 words. 6 A. No. 7 Q. Am I correct, sir, that Milberg 8 Weiss, the law firm with which you 9 entered this portfolio monitoring 10 agreement, was indicted for bribery and 11 fraud for paying illegal kickbacks to 12 parties willing to serve as lead 13 Plaintiffs? 14 A. I believe so. 15 Q. And several of its partners 16 went to jail in connection with that 17 kickback scheme, correct? 18 A. I believe the only one that I 19 was aware of was Mr. Weiss. 20 Q. Isn't it true, sir, that 21 Mr. Lerach, who was your primary contact 22 in your portfolio monitoring agreement, 23 also went to jail with the kickback 24 scheme? 25 A. I don't know.</p>

<p>1 JAMES MACE 2 MR. GIMBEL: Why don't we mark 3 Exhibit 8. 4 [The news release from the 5 United States Attorney's Office for 6 the Central District of California, 7 dated September 18th, 2007, titled 8 William Lerach, Former Name Partner 9 in Milberg Weiss, to Plead Guilty to 10 Conspiracy to Obstruct Justice and 11 Make False Statements to Federal 12 Judges Across U.S., was hereby marked 13 as Mace Exhibit 8 for identification, 14 as of this date.]</p> <p>15 MR. GIMBEL: I asked the court 16 reporter to mark as Exhibit 8, a news 17 release from the United States 18 Attorney's Office for the Central 19 District of California, dated 20 September 18th, 2007, titled William 21 Lerach, Former Name Partner in Milberg 22 Weiss, to Plead Guilty to Conspiracy 23 to Obstruct Justice and Make False 24 Statements to Federal Judges Across 25 U.S.</p>	<p>Page 42</p> <p>1 JAMES MACE 2 A. Yes. 3 Q. Does that refresh your 4 recollection that, in fact, William 5 Lerach was incited and pled guilty in 6 connection with this kickback scheme 7 involving Lead Plaintiff in securities 8 litigation? 9 A. It does not. 10 Q. Did you have any knowledge or 11 awareness of this at the time that you 12 entered into a -- or that the portfolio 13 monitoring agreement that you had was in 14 place? 15 A. No. 16 MR. KARAM: I am going to object 17 to that because -- 18 MR. GIMBEL: Excuse me? 19 MR. KARAM: I object, counsel. 20 It's a misleading question, because 21 portfolio -- 22 MR. GIMBEL: Your speaking 23 objections are not appropriate and 24 you're now coaching the witness. If 25 you have an objection to form.</p>
<p>1 JAMES MACE 2 (Witness reviews document.) 3 Q. Do you have that in front of 4 you, sir? 5 A. Yes. 6 Q. And do you see that in the 7 first paragraph, it notes that William 8 Lerach has agreed to plead guilty to a 9 federal conspiracy charge and acknowledge 10 that he and others agreed to conceal from 11 judges in federal courts Milberg Weiss' 12 secret payment arrangements with named 13 Plaintiffs in class-action lawsuits? 14 A. I see that. 15 Q. And you see that in paragraph 16 3, it notes "The indictment of Milberg 17 Weiss and two of its name partners for 18 allegedly participating in a scheme in 19 which several individuals were paid 20 millions of dollars in secret kickbacks 21 in exchange for serving as Lead 22 Plaintiffs in more than 150 class action 23 and shareholder derivative action 24 lawsuits." 25 Do you see that?</p>	<p>Page 43</p> <p>1 JAMES MACE 2 MR. KARAM: Objection. 3 Misstates prior evidence. 4 MR. GIMBEL: Objection to form, 5 that's enough. 6 MR. KARAM: Mischaracterizes the 7 document. These are all legally 8 cognizable grounds on which a judge 9 can rule. 10 MR. GIMBEL: You're well beyond 11 federal rules in a civil procedure. 12 MR. KARAM: I am allowed to 13 state the ground for my objection, 14 counsel. 15 MR. GIMBEL: No, you're not. 16 MR. KARAM: Yes, I am. 17 MR. GIMBEL: This is a speaking 18 objection and you are coaching the 19 witness. 20 MR. KARAM: Objection. 21 Argumentative. Objection, misleading 22 to the witness. Objection, misstates 23 prior evidence. 24 MR. GIMBEL: You're coaching the 25 witness.</p>

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<p>1 JAMES MACE 2 MR. KARAM: Objection, 3 mischaracterizes the evidence. Those 4 are my objections. 5 MR. GIMBEL: You should confine 6 your objections to form. And they 7 need to be stated concisely. And you 8 know the federal rule on that. 9 Q. Going back to the portfolio 10 monitoring agreement that we marked as 11 Exhibit 6, was this agreement ever 12 terminated? 13 A. I don't know. 14 Q. In paragraph 11, it states "The 15 client may terminate this agreement at 16 any time in writing." 17 Do you see that? 18 A. Yes. 19 Q. Did Northern Nevada ever 20 terminate this agreement in writing? 21 A. I don't know. 22 Q. Who would have the answer to 23 that question? 24 A. Legal counsel. 25 Q. Mr. Jenkins?</p>	<p style="text-align: right;">Page 46</p> <p>1 JAMES MACE 2 Q. You can answer. 3 A. I believe it would have been 4 discussed. 5 Q. Might it have caused you to 6 terminate your relationship with the 7 firm? 8 A. I don't know. 9 Q. What sort of diligence does 10 Northern Nevada do in deciding whether to 11 obtain -- I am sorry, retain counsel? 12 A. In this case, we would rely on 13 Trust Fund's legal counsel. 14 Q. And that's Mr. Jenkins? 15 A. Yes. 16 Q. All right. Do you have Exhibit 17 7 in front of you? 18 A. Yes. 19 Q. Do you recognize Exhibit 7? 20 A. You just handed it to me, yes. 21 Q. Well, have you ever seen it 22 before? 23 A. No. 24 Q. Okay. So Exhibit 7 is a -- 25 MR. JENKINS: I think you're on</p>
<p>1 JAMES MACE 2 A. Yes. 3 Q. You don't recall any discussion 4 at Northern Nevada of the indictment of 5 the Milberg Weiss firm in the Lead 6 Plaintiff kickback scam? 7 A. I do not. 8 MR. GIMBEL: I would like to 9 mark as Exhibit 9, another portfolio 10 monitoring agreement. 11 [The retainer agreement between 12 the Laborers Pension Trust Fund and 13 Robbins Geller, was hereby marked as 14 Mace Exhibit 9 for identification, as 15 of this date.] 16 Q. Before we get to Exhibit 9, let 17 me just ask you, would you have had 18 concerns about working with the Milberg 19 Weiss firm if you had known about this 20 bribery and kickback scheme involving 21 Lead Plaintiffs? 22 MR. KARAM: Objection. 23 THE WITNESS: I can answer? 24 MR. KARAM: You can answer. 25 A. Sorry.</p>	<p style="text-align: right;">Page 47</p> <p>1 JAMES MACE 2 the wrong Exhibit. 3 MR. GIMBEL: Do we have a 4 confusion of the numbers? 5 We just marked another portfolio 6 monitoring agreement. Exhibit 9. My 7 apologies. 8 Q. So why don't you put Exhibit 9 9 in front of you. 10 A. Yes. 11 Q. And we'll start over. 12 Do you recognize Exhibit 9? 13 (Witness reviews document.) 14 A. Yes. 15 Q. Can you describe, for the 16 record, what it is? 17 A. Retainer agreement between the 18 Laborers Pension Trust Fund and Robbins 19 Geller. 20 Q. Is this another portfolio 21 monitoring agreement? 22 A. Yes. 23 Q. Why did Northern Nevada enter 24 into this portfolio monitoring agreement 25 with Robbins Geller?</p>

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<p>1 JAMES MACE</p> <p>2 A. I don't know.</p> <p>3 Q. Who would know the answer to 4 that question?</p> <p>5 A. Legal counsel.</p> <p>6 Q. And that's Mr. Jenkins?</p> <p>7 A. Yes.</p> <p>8 Q. Would the trustees know why 9 they entered into this agreement?</p> <p>10 A. They probably followed 11 Mr. Jenkins' recommendation.</p> <p>12 Q. Are you aware of any other 13 portfolio monitoring agreements entered 14 into by Northern Nevada other than the 15 two that we have identified on the record 16 today?</p> <p>17 A. No.</p> <p>18 Q. You hesitated there, I think, 19 for the moment.</p> <p>20 A. Well, the relationship remained 21 the same. Laura and Sandra Stein were 22 with both firms. I think you see that 23 here, their names are familiar to me. 24 And if there is another firm, then it 25 would be related to them.</p>	<p>Page 50</p> <p>1 JAMES MACE 2 and publically traded equities, and to 3 provide monthly updates to Robbins Geller 4 on securities transactions. 5 Do you see that? 6 A. Yes. 7 Q. And did Northern Nevada fulfill 8 its obligations under that paragraph? 9 A. I don't know. 10 Q. Okay. Does Robbins Geller 11 receive monthly statements showing 12 securities transactions of Northern 13 Nevada? 14 A. I believe so. 15 Q. And in paragraphs 1 and 2, it 16 states, in substance, that Robbins 17 Geller, for its part, will then determine 18 whether there are potential claims that 19 Northern Nevada might bring for losses 20 under the federal securities laws. 21 Is that a fair summary? 22 A. Yes. 23 Q. Why enter into this agreement 24 rather than simply monitoring your own 25 portfolio and deciding on your own</p>
<p>1 JAMES MACE</p> <p>2 Q. Okay. Can you explain who 3 Laura and Sandra Stein are, and what 4 Northern Nevada's relationship is and has 5 been with them over the years?</p> <p>6 A. They represent Robbins Geller.</p> <p>7 Q. They are attorneys at Robbins 8 Geller?</p> <p>9 A. Yes.</p> <p>10 Q. And how did Northern Nevada get 11 involved with Laura and Sandra Stein?</p> <p>12 A. I don't know.</p> <p>13 Q. Is that a long-standing 14 relationship?</p> <p>15 A. Years.</p> <p>16 Q. It's a relationship that dates 17 back to when Laura and Sandra Stein were 18 at Milberg Weiss; is that correct?</p> <p>19 A. I believe so.</p> <p>20 Q. In paragraph 3 of the 21 agreement, it states, in substance, that 22 to assist Robbins Geller in fulfilling 23 its duties under this agreement, Northern 24 Nevada was to provide five years of past 25 statements showing monthly transactions</p>	<p>Page 51</p> <p>1 JAMES MACE 2 whether you might have securities 3 litigation claims? 4 A. Specialized area of the law 5 that we don't have the expertise to make 6 those decisions. 7 Q. So you're better off letting 8 counsel decide whether you have a claim? 9 A. Right. Correct. 10 MR. KARAM: Counsel, when you 11 feel it's an appropriate time to take 12 a break in the next -- 13 MR. GIMBEL: Sure. We can take 14 a break in a few minutes. 15 MR. KARAM: Take your time. 16 Q. Did you have a portfolio 17 monitoring arrangement in place at the 18 time that you first got involved in this 19 litigation about SandRidge Energy? 20 A. Just rephrase that or a little 21 bit more specific? 22 Q. Did you have a portfolio 23 monitoring arrangement with Robbins 24 Geller when you first got involved in 25 this litigation?</p>

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<p>1 JAMES MACE 2 A. I believe so. 3 MR. GIMBEL: We can take a 4 break. 5 MR. KARAM: Thank you. 6 THE VIDEOGRAPHER: We are now 7 off the record. The time is 9:55. 8 (Off the record.) 9 THE VIDEOGRAPHER: Now on the 10 record. The time on the video monitor 11 is 10:05. 12 Q. So Mr. Mace, let's resume. 13 A. Okay. 14 Q. How did Northern Nevada first 15 get involved in this case? 16 A. The process, as we talked about 17 before, is that we retained Robbins 18 Geller under legal counsel's 19 recommendation. 20 And part of that is that we 21 provide them with investment information. 22 They analyze that information. 23 And then they, Robbins Geller, 24 would come back to Mr. Jenkins with a 25 recommendation.</p>	<p>Page 54</p> <p>1 JAMES MACE 2 A. No, I don't believe so. 3 Q. Did it occur to Northern Nevada 4 that it might have a possible claim 5 before being approached by counsel under 6 this portfolio monitoring agreement? 7 A. I don't believe so. 8 MR. KARAM: What number is this? 9 THE REPORTER: 10. 10 [The retainer agreement between 11 Robbins Geller Rudman & Dowd and the 12 Trust Fund to enter into litigation 13 with SandRidge Energy Inc., Bates 14 stamped NNEV0000015, was hereby 15 marked as Mace Exhibit 10 for 16 identification, as of this date.] 17 Q. Do you have Exhibit 10 in front 18 of you, sir? 19 A. Yes. 20 Q. Do you recognize this document? 21 (Witness reviews document.) 22 A. Yes. 23 Q. Would you identify it please 24 for the record? 25 A. It's the retainer agreement to</p>
<p>1 JAMES MACE 2 And then Mr. Jenkins would 3 submit that recommendation to the 4 trustees, which they did, which was to 5 get involved. 6 Q. I understand the process, 7 generally. 8 A. Okay. 9 Q. So I am just focused on this 10 case, in particular. 11 What do you recall about the 12 genesis of this litigation? 13 A. Mr. Jenkins brought a 14 recommendation to the trustees to get 15 involved in this case. 16 Q. The trustees followed his 17 recommendation, I take it? 18 A. They did, yes. 19 Q. Did the trustees ever consider 20 hiring other counsel to prosecute this 21 litigation? 22 A. I don't know. 23 Q. Have the trustees ever used 24 other counsel to bring securities claims 25 on their behalf?</p>	<p>Page 55</p> <p>1 JAMES MACE 2 have the Trust Fund enter into the 3 prosecution, I guess, of the SandRidge 4 Energy claims. 5 Q. The letter is addressed to 6 Mr. Jenkins; is that correct? 7 A. Yes. 8 Q. And why is that? 9 A. Mr. Jenkins is Trust fund legal 10 counsel. 11 Q. Now in paragraph 9 of this 12 agreement, it provides that "Robbins 13 Geller will defend and indemnify Northern 14 Nevada Laborers for any claims asserted 15 against Northern Nevada Laborers for its 16 institution, prosecution and/or 17 resolution of this action including but 18 not limited to claims or sanctions 19 involving attorneys' fees or costs." 20 Do you see that? 21 A. Yes. 22 Q. Do you know what the genesis of 23 that provision is? 24 A. No. 25 Q. Would it be fair to say that,</p>

15 (Pages 54 - 57)

<p>1 JAMES MACE 2 three trustees and an alternate. 3 Q. Okay. So the trustees are 4 appointed, essentially by unions. 5 Is that fair to say? 6 A. Half by unions, half by 7 management.</p> <p>8 Q. Okay. Maybe you could just 9 describe, for the record, what the 10 Laborers Pension Trust for Northern 11 Nevada is. I don't think we have that in 12 the record.</p> <p>13 A. It's a defined benefit pension 14 plan. It covers 5,600 pensioners. The 15 collective bargaining parties agree to a 16 specific contribution amount that goes 17 into the Trust based on number of hours 18 worked. And that, in turn, there's 19 formulas that calculate the benefits that 20 a retiree will get when they retire.</p> <p>21 Q. Okay. Thank you. 22 Have you ever heard of the 23 SandRidge Investor Group?</p> <p>24 A. No. 25 Q. Have you ever communicated with</p>	<p>Page 70</p> <p>1 JAMES MACE 2 approximately? 3 A. Years ago. 4 Q. Has Northern Nevada ever 5 communicated with the Construction 6 Laborers Pension Fund of Greater St. 7 Louis?</p> <p>8 A. Not that I am aware of. 9 Q. Were they involved in the 10 conference call that you just mentioned? 11 A. I believe so. 12 Q. Has Northern Nevada done 13 anything independent of counsel to 14 investigate the basis for its claims in 15 this case?</p> <p>16 A. No. 17 [The document titled 18 Declaration of James G. Mace In 19 Support of Lead Plaintiffs' Motion 20 For Class Certification, was hereby 21 marked as Mace Exhibit 13 for 22 identification, as of this date.] 23 Q. Do you have Exhibit 13 in front 24 of you, sir? 25 A. Yes.</p>
<p>1 JAMES MACE 2 any of the other Plaintiffs, named 3 Plaintiffs in this action? And by "you," 4 I mean Northern Nevada.</p> <p>5 A. I believe there is a conference 6 call. We had a conference call somewhere 7 in this process to discuss it.</p> <p>8 Q. And which Plaintiffs 9 participated in that conference call?</p> <p>10 A. I don't recall.</p> <p>11 Q. Okay. As you sit here now, can 12 you tell me who the other named 13 Plaintiffs are?</p> <p>14 A. I believe it's the Construction 15 Laborers Trust Fund out of St. Louis. 16 And then the -- a husband and wife, I 17 believe. A man and a woman. It begins 18 with a G.</p> <p>19 Q. Would that be the Galkins?</p> <p>20 A. Thank you, the Galkins.</p> <p>21 Q. Has Northern Nevada ever 22 communicated with the Galkins?</p> <p>23 A. I think just on the conference 24 call.</p> <p>25 Q. When was that conference call,</p>	<p>Page 71</p> <p>1 JAMES MACE 2 MR. GIMBEL: For the record, 3 Exhibit 13 is an Exhibit from the 4 Court filings in this case. And I 5 believe it contains declarations from 6 each of the parties who are seeking 7 appointment as class representatives. 8 But the first declaration is titled 9 the Declaration of James Mace in 10 Support of Lead Plaintiffs' Motion For 11 Class Certification. 12 Q. Do you see that? 13 (Witness reviews document.) 14 A. I do, yes. 15 Q. Now, is this a declaration that 16 you executed on behalf of Northern 17 Nevada? 18 A. I did, yes. 19 Q. Who drafted the document? 20 A. It was presented to me by 21 Mr. Jenkins, Trust Fund's legal counsel. 22 Q. And did you make any comments 23 on the document? 24 A. I don't recall. 25 Q. Do you know whether it's</p>

19 (Pages 70 - 73)

<p>1 JAMES MACE 2 essentially identical to the declarations 3 submitted by the other named Plaintiffs? 4 A. I do not know. I don't know. 5 Q. In paragraph 2, it says that 6 you're the Fund manager for the Laborers 7 Pension Trust Fund For Northern Nevada. 8 Do you see that? 9 A. Yes. 10 Q. And it notes that you 11 participate and oversee decisions 12 regarding administration of the Laborers 13 Pension Trust Fund. 14 Do you see that? 15 A. Yes. 16 Q. Just to be clear, I think I 17 asked about this at the start of the 18 deposition, but would that involve 19 overseeing litigation or no? 20 A. No. 21 Q. Okay. In paragraph 6, you 22 state that Northern Nevada is "Committed 23 to vigorously prosecuting this litigation 24 as it has since its appointment." 25 Do you see that language?</p>	<p>Page 74</p> <p>1 JAMES MACE 2 was a settlement proposed that we were 3 involved in that discussion where it 4 didn't, wasn't agreed to. 5 So I guess that settlement was 6 rejected. That's all I can recall at 7 this time. 8 Q. Okay. Are you aware of any 9 other critical junctures that have taken 10 place in the case? 11 A. Not at this time, no. 12 Q. How many complaints have been 13 filed in this action? 14 A. I think there are amended 15 complaints. There are several. But I 16 don't have a number. 17 Q. What did Northern Nevada do to 18 oversee the complaints? 19 A. Have Mr. Jenkins, legal 20 counsel, review those and make 21 recommendations and directions he thought 22 necessary. 23 Q. Are there any motions in the 24 case that you're aware of since the case 25 began?</p>
<p>1 JAMES MACE 2 A. Yes. 3 Q. And it goes on in the paragraph 4 to say that Northern Nevada is "Committed 5 to maximizing the recovery for the Class 6 by making necessary appearances, sitting 7 for depositions and overseeing critical 8 junctures of the litigation as 9 appropriate."</p> <p>10 Do you see that? 11 A. Yes. 12 Q. What critical junctures in the 13 case have you overseen to date? 14 A. Appearing for the deposition 15 would be one. 16 Again, we monitor with Trust 17 Fund's legal counsel's direction with the 18 efforts of Robbins Geller. 19 Q. Apart from appearing for 20 today's deposition, are you aware of any 21 other specific critical juncture in the 22 case that Northern Nevada has overseen? 23 MR. KARAM: Objection. Vague. 24 Go ahead and answer. 25 A. There was a settlement, there</p>	<p>Page 75</p> <p>1 JAMES MACE 2 A. Probably. But I could not give 3 you a specific. 4 Q. And I am asking you -- just to 5 be clear, I am asking you as a 6 representative of Northern Nevada, can 7 you tell us today that you're aware of 8 any motion that has been filed in the 9 case since commencement? 10 A. There were motions. I believe 11 some of the -- again, they are legal 12 questions, and some of the Defendants 13 have been removed from the case. They 14 are not -- so there are some motions in 15 that regard, if that's what you're 16 asking. 17 Q. Are you able to describe any 18 motion beyond the description that you 19 just gave me? 20 A. No. 21 Q. Are you aware of any decisions 22 having been issued by the Court in the 23 case? 24 A. I thought there was a 25 bankruptcy decision or a motion where the</p>

<p>1 JAMES MACE</p> <p>2 assets were protected. And there was 3 some -- there was a Court decision as 4 related to that, I believe.</p> <p>5 Q. Could you describe any other -- 6 does Northern Nevada have knowledge of 7 any other decision that's been issued in 8 the case?</p> <p>9 A. Not that I'm aware.</p> <p>10 Q. Do you know whether there are 11 any motions pending right now?</p> <p>12 A. Do not.</p> <p>13 Q. Has Northern Nevada -- withdraw 14 that.</p> <p>15 You spoke about having some 16 awareness of a settlement proposal that 17 was made, at some point in time?</p> <p>18 A. Yes.</p> <p>19 Q. And approximately when was 20 that?</p> <p>21 A. I don't know.</p> <p>22 Q. Do you know whether it was this 23 year, or last year or the year before?</p> <p>24 A. I thought it was years. I 25 thought it was years.</p>	<p>Page 78</p> <p>1 JAMES MACE</p> <p>2 owes a fiduciary duty to all members of 3 the proposed class to provide fair and 4 adequate representation by, among other 5 things, directing the efforts of Robbins 6 Geller."</p> <p>7 Do you see that?</p> <p>8 A. Yes.</p> <p>9 Q. What is your understanding of 10 Northern Nevada's fiduciary duties as a 11 Class representative?</p> <p>12 A. We're going to follow legal 13 counsels' recommendations in terms of the 14 direction of the litigation.</p> <p>15 Q. Do you have any responsibility 16 as a fiduciary to oversee what legal 17 counsel is doing?</p> <p>18 A. Yes. And they will do that.</p> <p>19 But I think if legal counsels' 20 recommendations are prudent, we are going 21 to follow legal counsels' 22 recommendations.</p> <p>23 Q. Are you aware of any other 24 obligations that you may have as a 25 fiduciary, that Northern Nevada might</p>
<p>1 JAMES MACE</p> <p>2 Q. Are you aware of any other 3 settlement-related efforts in the case?</p> <p>4 A. No.</p> <p>5 Q. Did Northern Nevada provide any 6 instructions to its counsel with respect 7 to the settlement proposal, as you 8 recall, being discussed years ago?</p> <p>9 A. Legal counsel would have 10 presented the settlement to, to the 11 trustees. And that's what they would 12 have acted on.</p> <p>13 Q. When you say "they would have 14 acted on" --</p> <p>15 A. I believe they did. I believe 16 they did. I believe the settlement offer 17 was rejected.</p> <p>18 Q. Okay. And what's your basis 19 for making that statement?</p> <p>20 A. Just my recollection in 21 conversations with legal counsel and...</p> <p>22 Q. Okay. In paragraph 6 of your 23 declaration, the last sentence which 24 appears on page 2, you say "The Laborers 25 Pension Trust Fund understands that it</p>	<p>Page 79</p> <p>1 JAMES MACE</p> <p>2 have as a fiduciary with respect to the 3 litigation?</p> <p>4 A. We will rely on our legal 5 counsel to provide us with that direction 6 and that guidance.</p> <p>7 Q. And as a fiduciary, is it your 8 testimony that Northern Nevada would rely 9 on Robbins Geller to decide what to do in 10 the litigation?</p> <p>11 A. Primarily to rely on the Trust 12 Fund counsel who will direct, supervise 13 the relationship with Robbins Geller. So 14 dealing with attorneys and attorneys.</p> <p>15 Q. The Trust Fund counsel is 16 Mr. Jenkins?</p> <p>17 A. Yes.</p> <p>18 Q. And Mr. Jenkins is, as we 19 established, someone who has worked with 20 Robbins Geller as a Plaintiffs' attorney 21 in securities litigation in the past?</p> <p>22 MR. KARAM: Objection.</p> <p>23 Mischaracterizes prior testimony. But 24 go ahead.</p> <p>25 Q. You can answer.</p>

21 (Pages 78 - 81)

<p>1 JAMES MACE 2 A. Yes. 3 Q. At the end of that last 4 sentence we were reading, it talks about 5 directing the efforts of Robbins Geller. 6 Do you see that? 7 A. Yes. 8 Q. What has Northern Nevada done 9 to date to direct the efforts of Robbins 10 Geller in this litigation? 11 A. Mr. Jenkins would have given 12 any direction that would have been 13 required. 14 Q. Okay. Can you, as you sit here 15 now, as a representative of Northern 16 Nevada, tell me any step that has been 17 taken by Northern Nevada to direct the 18 efforts of Robbins Geller in this 19 litigation? 20 A. No. 21 Q. In paragraph 7, it says that 22 "On behalf of Laborers Pension Trust 23 Fund," which we are calling Northern 24 Nevada today, "I have reviewed and 25 monitored the progress of this litigation</p>	<p>Page 82</p> <p>1 JAMES MACE 2 nature of the loss that we had. The 3 bankruptcy. At least one of the 4 Defendants being removed. The settlement 5 offers. 6 Q. Anything else? 7 A. No. 8 Q. It also states in paragraph 7 9 that you have received and reviewed 10 significant pleadings. 11 Do you see that? 12 A. Yes. 13 Q. Would you please identify for 14 the record the significant pleadings 15 received and reviewed by you? 16 A. Don't know specifically, at 17 this point, what those would have been. 18 Q. It also states in paragraph 7 19 that you received and reviewed Court 20 orders. 21 Would you please identify for 22 the record what Court orders you received 23 and reviewed? 24 A. Can't recall at this time. 25 Q. It also notes in paragraph 7</p>
<p>1 JAMES MACE 2 and the active participation of Robbins 3 Geller in its prosecution." 4 Do you see that? 5 A. Yes. 6 Q. It goes on to say that you 7 received and reviewed periodic updates 8 and correspondence from counsel regarding 9 important aspects of the case. 10 Do you see that? 11 A. Yes. 12 Q. Can you describe for the record 13 what the important aspects of the case 14 that you received updates about have 15 been? 16 A. They provide us with quarterly 17 reports on the activity. Robbins Geller 18 provides us with quarterly reports on the 19 activity. Mr. Jenkins reviews those 20 reports. 21 Q. Okay. For the record, can you 22 explain any important aspect of this case 23 that you were briefed on by Robbins 24 Geller and Mr. Jenkins? 25 A. The nature of the loss. The</p>	<p>Page 83</p> <p>1 JAMES MACE 2 that you received updates and 3 correspondence from counsel regarding the 4 progress of discovery. 5 Do you see that? 6 A. Yes. 7 Q. What do you understand to be 8 the status of discovery in this action? 9 A. It's ongoing. 10 Q. What has taken place in 11 discovery to date? 12 A. Today's deposition for one. 13 The nature -- that it's ongoing. 14 Discovery is still ongoing. 15 Q. Apart from today's deposition, 16 are you aware of anything else that has 17 actually happened in discovery in this 18 case? 19 A. I believe there has been 20 scheduling, there has been a schedule for 21 you to take the deposition of other 22 Plaintiffs. 23 And that's all I can recall. 24 Q. It also states in paragraph 7 25 that you have participated in discussions</p>

<p>1 JAMES MACE 2 with counsel regarding significant 3 developments in the case as a 4 representative of Northern Nevada. 5 Can you tell me what 6 significant developments you have 7 discussed with your counsel? 8 A. The bankruptcy, the nature of 9 the loss. Two things. 10 Q. Do you know whether documents 11 have been produced in this litigation? 12 A. Some documents, I think yes. 13 Q. What parties have produced 14 documents in this litigation? 15 A. The Northern Nevada Laborers 16 Pension Trust Fund have produced 17 documents. 18 Q. Do you know if the other 19 parties have produced documents? 20 A. I don't know. 21 Q. Who are the Defendants in this 22 lawsuit? 23 A. SandRidge Energy, some 24 individuals. 25 Q. Do you know who the individuals</p>	<p>Page 86</p> <p>1 JAMES MACE 2 A. Yes. 3 Q. Can you explain to me the 4 nature of the alleged misrepresentation 5 or omissions, in your own words? 6 A. The reserves, I believe, that 7 they made representations as it related 8 to the reserve levels, and then the 9 allocation of gas and oil. And those 10 were the primary. 11 Q. Are you aware of any other 12 categories of misrepresentations or 13 omissions that the Plaintiffs have 14 alleged at any point in this litigation 15 were made by the Defendants? 16 A. That's the substance of what I 17 am aware of. 18 Q. So the only misrepresentations 19 or omissions that were allegedly made, as 20 far as Northern Nevada knows, are related 21 to reserve levels and gas and oil levels? 22 A. Right. That's all I was aware 23 of. 24 Q. Do you know who Tom Ward is? 25 A. I recognize the name. I</p>
<p>1 JAMES MACE 2 are? 3 A. I don't. Never met them. 4 Q. Do you have any idea what role 5 they played at SandRidge? 6 A. I believe they were executives, 7 at the time. 8 Q. Do you know if they are current 9 or former executives? 10 A. I believe they are former 11 executives. 12 Q. How did you -- how did Northern 13 Nevada decide to file suit against these 14 individuals? 15 A. Follow the recommendation of 16 legal counsel. 17 Q. Did Northern Nevada play any 18 role in that process or was it outsourced 19 entirely to legal counsel? 20 A. Legal counsel would have 21 provided recommendations. 22 Q. The operative complaint in this 23 case alleges that the Defendants made 24 various misrepresentations or omissions 25 relating to SandRidge; is that fair?</p>	<p>Page 87</p> <p>1 JAMES MACE 2 believe he was a Defendant in this. I 3 believe he was an executive with 4 SandRidge. I believe he is one of the 5 ones who have been removed or no longer 6 part of the litigation, I believe. 7 Q. Did Mr. Ward -- was Mr. Ward 8 responsible for any misrepresentations or 9 omissions? 10 A. I don't know. 11 Q. Do you know who Matthew Grubb 12 is? 13 A. I do not. 14 Q. Who is James Bennett? 15 A. Don't know. 16 Q. Do you know if Mr. Grubb or 17 Mr. Bennett is responsible for any 18 alleged misrepresentation or omission? 19 A. Only what, only through legal 20 counsel on what the complaint would have 21 listed. 22 Q. Does Northern Nevada make any 23 claims against James Bennett? 24 MR. KARAM: Objection. Calls 25 for a legal conclusion, but go ahead.</p>

23 (Pages 86 - 89)

<p>1 JAMES MACE 2 Q. You can answer. 3 A. I don't know. 4 Q. Does Northern Nevada make any 5 claims against Matthew Grubb? 6 MR. KARAM: Same objection. Go 7 ahead. 8 A. I would have to ask legal 9 counsel. 10 Q. Does Northern Nevada make any 11 claims against Tom Ward? 12 MR. KARAM: Objection. Calls 13 for a legal conclusion. Go ahead. 14 Q. You can answer these questions. 15 A. Would have to ask legal 16 counsel. 17 Q. Does Northern Nevada contend 18 that the price of SandRidge stock was 19 inflated? 20 A. I believe so, yes. 21 Q. When was it inflated? 22 A. I think 2011. 23 Q. Was it -- 24 A. February. 25 Q. Was the price of SandRidge</p>	<p>Page 90</p> <p>1 JAMES MACE 2 A. February 2011 to November 2012. 3 Q. And why does the Class period 4 begin in February of 2011? 5 A. I believe SandRidge issued some 6 information to the public to, that was 7 acted on. It was inaccurate on the 8 reserve levels and the oil and the gas 9 percentage. 10 Q. What was the nature of the 11 information that was released that 12 commenced the Class period, if you will? 13 A. I think again, the allocation 14 of the gas and oil in the reserve was and 15 the reserve areas. 16 Q. Was there a particular 17 statement that caused SandRidge's stock 18 to become inflated? 19 A. I don't have a specific 20 statement, no. 21 Q. Do you know when inflation 22 first entered SandRidge's stock price, 23 according to Northern Nevada? 24 A. Again, February of 2011. 25 Q. Is there a point in time when</p>
<p>1 JAMES MACE 2 stock inflated in 2012? 3 A. At the end it -- the 4 disclosures came out. So I think that 5 was the Class period that we're talking 6 about. 7 Q. So what is your understanding 8 of the Class period? 9 A. The period where the 10 misrepresentations of SandRidge were 11 active in the market until they were 12 clarified or corrected, in which case, 13 the market could adjust given the correct 14 information. 15 Q. Do you know when in terms of 16 time the Class period was? I mean, do 17 you know what the dates are of the Class 18 period? 19 A. I think December of 2012. Or 20 November, I am sorry. November 2000 -- 21 Q. The Class period begins on a 22 date and ends on a date, right? 23 A. Right. 24 Q. So can you give me the 25 beginning date and end date?</p>	<p>Page 91</p> <p>1 JAMES MACE 2 Northern Nevada contends that the truth 3 came out, if you will, and the inflation 4 left the stock? 5 A. That would have been at the end 6 of 2012, November. November 2012. 7 Q. Is that the only occasion when 8 the truth came out and the inflation left 9 the stock? 10 A. That was one of them, I think. 11 Q. Is there another? 12 A. I believe there is a second 13 one. 14 Q. And when was that second 15 occasion? 16 A. I don't know. 17 Q. And what caused the truth to 18 come out, if you will, as Plaintiffs 19 would characterize it? 20 A. I don't know. 21 Q. Were there particular 22 disclosures that were made to the market 23 that Plaintiffs contend caused the truth 24 to come out? 25 A. Probably.</p>

24 (Pages 90 - 93)

<p>1 JAMES MACE 2 Q. Probably, but you're not sure? 3 A. I'm not sure. 4 Q. Approximately, what is the 5 total value of Northern Nevada's 6 investments? 7 A. I think 120, 120 million 8 dollars. 9 Q. And what was its total 10 investment in SandRidge, approximately? 11 A. The loss was 100,000. We 12 currently still have some of that stock. 13 I don't know specifically what that would 14 be.</p> <p>15 Q. So the loss was less than a 16 10th of a percent of Northern Nevada's 17 assets?</p> <p>18 A. Yes.</p> <p>19 Q. We talked a little bit at the 20 start of the deposition at how Northern 21 Nevada makes its investment decisions. 22 And you told me that the trustees 23 delegate the function, I believe, to 24 Sierra. And then Sierra uses some 25 sub-advisors?</p>	<p>Page 94</p> <p>1 JAMES MACE 2 A. Custodian, and they also manage 3 some cash reserves. 4 Q. Okay. Are there any other 5 active managers that are used by Northern 6 Nevada? 7 A. No. 8 [The Trust Fund Statement of 9 Investment Policy, dated November 15, 10 2005, Bates stamped NNEV0000539, was 11 hereby marked as Mace Exhibit 14 for 12 identification, as of this date.] 13 Q. Do you have Exhibit 14 in front 14 of you, sir? 15 A. Yes. 16 Q. Do you recognize Exhibit 14? 17 (Witness reviews document.) 18 A. Yes. 19 Q. Would you identify it for the 20 record, please? 21 A. It's the Trust Fund statement 22 of investment policy. 23 Q. And this particular statement 24 of investment policy is dated November 25 15th, 2005; is that correct?</p>
<p>1 JAMES MACE 2 A. Correct. 3 Q. I would like to go through that 4 in a little bit more detail. 5 But let me just start with, are 6 there any internal employees apart from 7 the trustees that have involvement in 8 investment decisions? 9 A. No internal employees. 10 Q. Okay. Does Sierra and its 11 sub-advisors manage the entirety of 12 Northern Nevada's portfolio? 13 A. No. 14 Q. Who else plays a role in 15 managing the portfolio? 16 A. Ullico has some investments. 17 Q. What is Ullico? 18 A. Ullico is an insurance 19 investment company. The Union Labor Life 20 Insurance Company. 21 Q. Are there any other investment 22 managers that are used by Northern 23 Nevada? 24 A. U.S. Bank. 25 Q. As custodian?</p>	<p>Page 95</p> <p>1 JAMES MACE 2 A. Yes. 3 Q. Okay. Was this statement of 4 investment policy still in effect when 5 Northern Nevada made its investment in 6 SandRidge? 7 A. I believe so, yes. 8 Q. What led to the adoption of 9 this statement of investment policy? 10 A. The trustees need to give some 11 direction to the investment managers. 12 Q. Was there anything else that 13 led to the adoption of this statement of 14 investment policy? 15 A. No. 16 Q. On page 2, the investment 17 policy memo states Target Asset 18 Allocations for the Fund. 19 Do you see that? 20 A. Yes. 21 Q. And the second one is U.S. 22 large cap value equities? 23 A. Yes. 24 Q. What is your understanding of 25 what a value equity is?</p>

25 (Pages 94 - 97)

<p style="text-align: right;">Page 98</p> <p>1 JAMES MACE 2 A. In layman's terms it's -- there 3 is more intrinsic value in the stock 4 versus the potential for growth. They 5 are usually large companies. 6 Q. Okay. Would it be fair to say 7 that a value equity or that value 8 investing is a strategy that involves 9 selecting stocks that are, in the 10 manager's view, undervalued by the 11 market? 12 A. Yes. 13 Q. So Northern Nevada's investment 14 policy called for at least 20 percent of 15 its portfolio to be allocated to funds 16 that pursue a value in investing 17 strategy; is that right? 18 A. Yes. 19 Q. How did Northern Nevada come to 20 invest in SandRidge? 21 A. Riazzi, who was a sub-advisor 22 to Sierra, Riazzi decided and made the 23 buy decision. 24 Q. So let's take a step back then 25 just for the clarity of the record.</p>	<p style="text-align: right;">Page 100</p> <p>1 JAMES MACE 2 Q. And one of the advisors that is 3 identified here is Baird Equity Asset 4 Management. And its identified as 5 additional investment manager for Lead 6 Plaintiff Laborers Pension Trust Fund for 7 Northern Nevada. 8 Do you see that? 9 A. I do. 10 Q. Does that refresh your 11 recollection of what Baird Equity 12 Management is or does? 13 A. It's a typo. I think it's a 14 typo. 15 Q. As you sit here today, your 16 belief is that Baird Equity Asset 17 Management did not, in fact, provide any 18 services to Northern Nevada? 19 A. Correct, yes. 20 Q. Okay. We'll take you through 21 this. But maybe we can start with Sierra 22 Asset Management, which we've talked 23 about a little bit today. 24 MR. KARAM: Counsel, at a point 25 where you feel it's appropriate, can</p>
<p style="text-align: right;">Page 99</p> <p>1 JAMES MACE 2 A. Okay. 3 Q. In the interrogatory responses 4 we looked at earlier today, Northern 5 Nevada identified three investment 6 advisors as having provided advice at 7 some point in time in connection with its 8 investment in SandRidge: Sierra 9 Investment Partners, Riazzi Asset 10 Management, and Baird Equity Asset 11 Management; is that right? 12 A. I don't know who Baird is. 13 Q. Okay. Why don't we take a look 14 then at your interrogatory responses, 15 which I think are Exhibit number 2. 16 Do you have that in front of 17 you? 18 A. I have Exhibit number 2. 19 Q. Do you see that on page 16, it 20 identifies a number of investment 21 advisors of Construction Laborers Pension 22 Trust of Greater St. Louis and the 23 Laborers Pension Trust Fund for Northern 24 Nevada? 25 A. Yes.</p>	<p style="text-align: right;">Page 101</p> <p>1 JAMES MACE 2 we take another break. 3 MR. GIMBEL: Sure. But I want 4 to get through a series of questions. 5 MR. KARAM: Do what you need to 6 do. 7 Q. Can you describe for the record 8 what Sierra Asset Management is? 9 A. Sierra Investment Partners? 10 Q. Perhaps it's Sierra Investment 11 Partners. My apologies, if I got it 12 wrong. 13 A. They are investment managers 14 who have been delegated investment 15 authority to the trustees, and then they, 16 in turn, hire sub-advisors with the 17 expertise to invest in various asset 18 investment classifications. 19 Q. Okay. Fair enough. 20 MR. GIMBEL: So let's mark as 21 Exhibit, a document titled Sierra 22 Investment Partners, Inc., Investment 23 Management Agreement Small Cap Equity. 24 And let me know when you have that if 25 front of you.</p>

26 (Pages 98 - 101)

<p>1 JAMES MACE 2 [The document titled Sierra 3 Investment Partners, Inc., Investment 4 Management Agreement Small Cap 5 Equity, was hereby marked as Mace 6 Exhibit 15 for identification, as of 7 this date.] 8 A. I have it in front of me. 9 Q. Do you recognize the document? 10 (Witness reviews document.) 11 A. Yes. 12 Q. Can you identify it for the 13 record, please? 14 A. It's the agreement between 15 Sierra and the Trust Fund as it relates 16 to the small cap equity portion of the 17 portfolio. 18 Q. Was this agreement in effect at 19 the time of Northern Nevada's investment 20 in SandRidge? 21 A. I believe it was. 22 Q. In paragraph 2, it states that 23 "Subject to the terms and conditions of 24 this agreement, the attached Consent 25 Orders, and Statement of Investment</p>	<p>Page 102</p> <p>1 JAMES MACE 2 Q. So I am going to put in front 3 of you documents 16, 17 and 18. 4 [The document titled Consent 5 Order With Defendant Trustees, was 6 hereby marked as Mace Exhibit 16 for 7 identification, as of this date.] 8 [The document titled Consent 9 Order With Laborers Plans, was hereby 10 marked as Mace Exhibit 17 for 11 identification, as of this date.] 12 [The complaint filed that led to 13 the consent orders, was hereby marked 14 as Mace Exhibit 18 for 15 identification, as of this date.] 16 Q. Let me know when you have those 17 documents in front of you. 18 A. I have them. 19 Q. In document 16, if I am getting 20 the number right, is a document entitled 21 Consent Order With the Defendant 22 Trustees. 23 Do you see that? 24 (Witness reviews document.) 25 A. Yes.</p>
<p>1 JAMES MACE 2 Policy, Sierra and its sub-advisor, The 3 Glenmede Trust Company, shall have full 4 and complete discretion and authority 5 with respect to Management of the assets 6 allocated to it, including, without 7 limitation, authority to purchase, sell, 8 exchange, convert, trade and generally to 9 deal in securities and other property in 10 the Account at the risk of, and in the 11 name of the Client." 12 Do you see that? 13 A. Yes. 14 Q. My first question is: What are 15 the Consent Orders that are referred to 16 here? 17 A. In the past, the Laborers 18 Pension were subject to consent orders as 19 it related to investments. 20 Q. The document refers to the 21 consent orders being attached. 22 Do you know why the consent 23 orders were not produced together with 24 this document? 25 A. I don't know.</p>	<p>Page 103</p> <p>1 JAMES MACE 2 Q. Is that one of the consent 3 orders that is referred to in the 4 investment management agreement of Sierra 5 partners? 6 A. Yes. 7 Q. And that is a consent order 8 under which the trustees agreed to pay 9 over 1.7 million dollars to settle claims 10 that had been made that they breached 11 their fiduciary obligations under ERISA; 12 is that right? 13 A. Yes. 14 Q. Exhibit 17 is a Consent Order 15 With Laborers Plans. 16 Do you have that in front of 17 you? 18 (Witness reviews document.) 19 A. Yes. 20 Q. And is that also one of the 21 consent orders that's referred to in the 22 investment management agreement? 23 A. Yes. 24 Q. And what's the nature of this 25 consent order?</p>

<p style="text-align: right;">Page 106</p> <p>1 JAMES MACE 2 A. This is the, what I would call 3 the administrative procedures that the 4 trustees agreed to follow. 5 Q. Okay. Exhibit 18 is the 6 complaint that was filed that led to the 7 consent orders that we've been 8 discussing; is that right? 9 (Witness reviews document.) 10 A. Yes. 11 Q. Are the consent orders still in 12 place? 13 A. No, they're not. 14 Q. When were they vacated? 15 A. I believe two years ago. 16 Q. So they were in place for over 17 a decade; is that right? 18 A. Yes. 19 Q. Why were they in place so long? 20 MR. KARAM: Objection. 21 Argumentative. Go ahead. 22 A. The process to remove them was 23 to go to the Department of Labor, and to 24 say we no longer need these orders to be 25 in effect. And so we would ask the</p>	<p style="text-align: right;">Page 108</p> <p>1 JAMES MACE 2 marked as Exhibit 14? 3 A. Yes. 4 Q. In paragraph 2, it goes on to 5 say that Sierra has full discretion and 6 authority with respect to the management 7 of the assets allocated to it. 8 Do you see that? 9 A. Yes. 10 Q. Okay. And did Sierra have full 11 discretion and authority with respect to 12 Northern Nevada's investment in 13 SandRidge? 14 A. Through Riazzi. 15 Q. Okay. Well, Riazzi was a 16 sub-advisor to Sierra? 17 A. Right. 18 Q. And Riazzi is Riazzi Asset 19 Management, correct? 20 A. Right. 21 Q. Riazzi Asset Management was a 22 sub-advisor that was chosen by Sierra to 23 manage a portion of Northern Nevada's 24 assets? 25 A. Yes.</p>
<p style="text-align: right;">Page 107</p> <p>1 JAMES MACE 2 Department of Labor to remove them and 3 they did. 4 Q. When did you make that 5 application? 6 A. Again, years ago, in that -- 7 years ago. 8 Q. Approximately two years ago? 9 A. Yes. 10 Q. If you could turn back to the 11 Sierra Investment Partners investment 12 management agreement, which is Exhibit 13 15. 14 A. Yes. 15 Q. Do you have that in front of 16 you? 17 A. Yes. 18 Q. We were talking about paragraph 19 2 and its preference to the consent 20 orders. 21 It also refers to the statement 22 of investment policy. 23 Do you see that? 24 A. Yes. 25 Q. Is that the document that we</p>	<p style="text-align: right;">Page 109</p> <p>1 JAMES MACE 2 MR. GIMBEL: Why don't we mark 3 as Exhibit 19 a letter -- Exhibit 19 4 is a letter, dated October 7th, 2008, 5 from Sierra Investment Partners, 6 Inc. 7 [The letter from Sierra 8 Investment Partners, Inc., dated 9 October 7th, 2008, Bates stamped 10 NNEV0000648, was hereby marked as 11 Mace Exhibit 19 for identification, 12 as of this date.] 13 Q. Do you have that document in 14 front of you? 15 A. Yes. 16 Q. Do you recognize it? 17 (Witness reviews document.) 18 A. Yes. 19 Q. Would you describe it for the 20 record, please? 21 A. Sierra made a change in 22 sub-advisors. Transamerica Investment 23 Management became or ended up being 24 Riazzi. 25 Q. Okay. So, in substance, the</p>

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<p>1 JAMES MACE 2 Do you see that? 3 A. Yes. 4 Q. And this refers to the Fund or 5 product that Riazzi was using when it 6 managed Northern Nevada's assets. 7 Would that be fair to say? 8 A. Yes. 9 Q. Please turn to page 6. 10 Do you see that there is a 11paragraph titled Investment Objective? 12 A. Yes. 13 Q. Okay. And it states in that 14paragraph that "The goal of the Small Cap 15Value Fund or product is to provide 16superior risk adjusted returns and 17outperform the Russell 2000 Value Index." 18 Do you see that? 19 A. Yes. 20 Q. And it goes on to state that 21"Riazzi aims to accomplish this by 22creating portfolios of companies that we 23expect to exceed Street expectations." 24 Do you see that? 25 A. Yes.</p>	<p>Page 114</p> <p>1 JAMES MACE 2 document it states that one of the 3 strategies followed in Riazzi's 4 investment process is to identify stocks 5 that are mispriced relative to intrinsic 6 value. 7 Is that a fair summary of 8 Riazzi's investment philosophy? 9 A. Yes, yes. 10 Q. And so Northern Nevada 11understood that its funds were being 12invested using that general philosophy? 13 MR. KARAM: Objection. 14 Q. You can answer. 15 A. Northern Nevada would follow -- 16yes. 17 Q. Okay. All right. 18 So I would like to move on to 19talk a little bit about the individual 20transactions in the SandRidge stock, just 21so we have some clarity in the record as 22to when those occurred. 23 I am going to ask the court 24reporter to mark three Exhibits, 22, 23 25and 24, which are U.S. Bank statements</p>
<p>1 JAMES MACE 2 Q. And it goes on to state that it 3 looks to identify stocks that traded at 4 discounts to its proprietary calculations 5 and fair value. 6 Do you see that? 7 A. Yes. 8 Q. Is that consistent with your 9 understanding of the investment 10 philosophy that Riazzi employed in making 11 investment decisions for SandRidge? 12 A. I don't know. 13 Q. Do you have any reason to 14 dispute that that was the philosophy it 15 employed? 16 A. No. 17 Q. It was a value fund, as you 18 understood it, correct? 19 A. Right. 20 Q. And value funds seek to 21 identify stocks that are trading at 22 discounts to fair value. 23 Is that fair to say? 24 A. I don't know. 25 Q. Okay. On page 8 of the</p>	<p>Page 115</p> <p>1 JAMES MACE 2 and we can have you identify them. 3 [The U.S. Bank statement for 4 Northern Nevada's account for the 5 period of February 1, 2011 to 6 February 28, 2011, Bates stamped 7 NNEV0000022 through 42, was hereby 8 marked as Mace Exhibit 22 for 9 identification, as of this date.] 10 [The U.S. Bank statement for 11 Northern Nevada's account for the 12 period from March 1st, 2011 to March 13 31st, 2011, Bates stamped NNEV0000044 14 through 60, was hereby marked as Mace 15 Exhibit 23 for identification, as of 16 this date.] 17 [The U.S. Bank statement for 18 Northern Nevada's account for the 19 period August 1, 2011 to August 31, 20 2011, Bates stamped NNEV0000138 21 through 153, was hereby marked as Mace 22 Exhibit 24 for identification, as of 23 this date.] 24 (Witness reviews documents.) 25 Q. Let me know when you have those</p>

30 (Pages 114 - 117)

<p>1 JAMES MACE 2 three Exhibits ready to go? 3 A. I have them. 4 Q. So Exhibit 22 is a U.S. Bank 5 statement for an account of Northern 6 Nevada's for the period of February 1, 7 2011 to February 28, 2011. And it is 8 Bates stamped NNEV 22 to NNEV 42. 9 Do you have that in front of 10 you? 11 A. Yes. 12 Q. Is this an account statement 13 for an account managed by Riazzi? 14 A. Yes. 15 Q. If you look at page 19 of the 16 statement, it shows a purchase of 17 SandRidge stock. 18 Let me know when you have that 19 in front of you. 20 A. Not the Bates stamp, this is 21 the U.S. Bank statement? 22 Q. U.S. Bank page number. 23 A. Yes, I have it. 24 Q. And it reflects the purchase of 25 11,960 shares of SandRidge Energy on</p>	<p>Page 118</p> <p>1 JAMES MACE 2 purchase of 4,324 shares of SandRidge 3 Energy on March 3rd. 4 Do you see that? 5 A. Yes. 6 Q. And was that the second 7 investment by Northern Nevada in 8 SandRidge securities? 9 A. I believe so. 10 Q. The third statement is marked 11 Exhibit 24, and it is a statement for the 12 same account managed by Riazzi for 13 Northern Nevada for the period August 1, 14 2011 to August 31, 2011; is that correct? 15 A. Yes. 16 Q. And for the record it's Bates 17 stamped NNEV 138 to 148 -- I'm sorry, to 18 153; is that correct? 19 A. Yes. 20 Q. If you look at Page 14 of this 21 statement, NNEV 151, it shows the 22 purchase of 4,241 shares of SandRidge 23 Energy on August 4th, 2011. 24 Do you see that? 25 A. Yes.</p>
<p>1 JAMES MACE 2 February 28th, 2011. 3 Do you see that? 4 A. Yes. 5 Q. Was that the first investment 6 by Northern Nevada in SandRidge 7 securities? 8 A. I believe so. 9 Q. Okay. Second statement is 10 marked Exhibit 23. 11 You have that in front of you? 12 A. Yes. 13 Q. That's another account 14 statement for the same Northern Nevada 15 account held at U.S. Bank for the period 16 from March 1st, 2011 to March 31st, 2011, 17 correct? 18 A. Yes. 19 Q. And it is Bates stamped, for 20 the record, NNEV 44 to 60, correct? 21 A. Yes. 22 Q. Okay. If you turn to page 14 23 of this statement, it shows another 24 purchase of SandRidge common stock on 25 March 3rd, 2011. Specifically, the</p>	<p>Page 119</p> <p>1 JAMES MACE 2 Q. Was that the third and final 3 purchase of SandRidge securities by 4 Northern Nevada? 5 A. I believe so. 6 Q. Are you aware of any other 7 transactions in SandRidge securities by 8 Northern Nevada? 9 A. No. 10 Q. Okay. Who is Helen Martin, who 11 the statements were addressed to? 12 A. She's an employee of Benefit 13 Plan Administrators. She's a bookkeeper. 14 Q. Okay. Did Northern Nevada have 15 any involvement in the decision to 16 purchase SandRidge stock on any of the 17 three occasions reflected in these 18 statements? 19 A. No. 20 Q. Was that decision made 21 exclusively by the investment advisor 22 Riazzi? 23 A. Yes. 24 Q. When did Northern Nevada first 25 learn that it had acquired SandRidge</p>

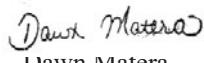
<p>1 JAMES MACE 2 this date.] 3 Q. Let me know when you have 4 Exhibit 25 in front of you, sir. 5 A. I have it. 6 Q. And do you recognize Exhibit 7 25? 8 (Witness reviews document.) 9 A. I have seen it with legal 10 counsel. 11 Q. Can you describe it for the 12 record, please? 13 A. It's the Third Consolidated 14 Amended Complaint. 15 Q. Is this one of the documents 16 that you reviewed in preparation for your 17 deposition? 18 A. Earlier. Earlier. When we got 19 it. 20 Q. You reviewed this? 21 A. With legal counsel. 22 Q. With legal counsel? 23 A. Earlier. Not yesterday. 24 Q. Do you understand this to be 25 the operative complaint in the case?</p>	<p>Page 126</p> <p>1 JAMES MACE 2 to ascertain the information that these 3 individuals allegedly provided was 4 reliable? 5 A. We would have relied on legal 6 counsel. 7 Q. Do you know why their names 8 were anonymized? 9 A. I do not. 10 Q. Is Northern Nevada aware of any 11 reason why their names couldn't be 12 provided? 13 MR. KARAM: Objection. Calls 14 for a legal conclusion. Go ahead. 15 A. You would have to ask legal 16 counsel. 17 Q. I am asking you, though. 18 As a representative of Northern 19 Nevada -- 20 A. I don't -- 21 Q. -- are you aware of any reason 22 why Northern Nevada could not provide the 23 names of these individuals to the 24 Defendants? 25 A. I am not aware of any reason.</p>
<p>1 JAMES MACE 2 A. "Operative" meaning current? 3 Q. The current complaint in the 4 case? 5 A. Yes. 6 Q. Am I correct that the claims 7 made here by Northern Nevada are based, 8 in part, on information provided by 9 confidential witnesses? 10 A. I don't know. 11 Q. Well, why don't you turn to 12 page 9, if you would, please. 13 A. I have it. 14 Q. You will see on page 9 -- you 15 can take the time to read it, if you 16 want -- it refers to information that was 17 allegedly communicated to Plaintiffs' 18 counsel by three former employees of 19 SandRidge who are identified as FE1, FE2 20 and FE3. Do you see that? 21 A. Yes. 22 Q. Do you know the identity of any 23 of these employees? 24 A. I do not. 25 Q. Did Northern Nevada do anything</p>	<p>Page 127</p> <p>1 JAMES MACE 2 Q. So in paragraph 22, it says 3 that FE1 was a senior geologist at 4 SandRidge until November 2010. 5 Do you see that? 6 A. Yes. 7 Q. So he apparently left in 8 November of 2010 before Northern Nevada 9 made its investment, right -- 10 A. Yes. Correct. 11 Q. -- according to the allegation. 12 So I am going to focus a couple 13 of questions on FE2 and FE3, because it 14 appears that FE1 left before Northern 15 Nevada made its investment. 16 In paragraph 128 of the 17 complaint? 18 A. I have that. 19 Q. Do you have that in front of 20 you? 21 A. Yes. 22 Q. It says According to FE2, since 23 at least early 2012, the Mississippian 24 was not performing as well as expected. 25 Do you see that?</p>

<p style="text-align: right;">Page 130</p> <p>1 JAMES MACE 2 A. Yes. 3 Q. Early 2012 was after Northern 4 Nevada invested in SandRidge, right? 5 A. Yes. 6 Q. In paragraph 126, which is a 7 little farther up the page, it says that 8 According to FE3, oil production in the 9 Mississippian play was lower than 10 anticipated, and that was causing 11 frustration within SandRidge. 12 Do you see that? 13 A. Yes. 14 Q. And FE3 goes on to say he 15 believed, he or she believed it was 16 common knowledge at SandRidge that the 17 Mississippian was underperforming. 18 Do you see that? 19 A. Yes. 20 Q. But according to the 21 allegations of the complaint, FE3 joined 22 SandRidge in May of 2012. 23 Do you recall that, it's back 24 at paragraph 24? 25 A. Yes.</p>	<p style="text-align: right;">Page 132</p> <p>1 JAMES MACE 2 Northern Nevada? 3 A. Correct. 4 Q. I would like you to turn, if 5 you would, to paragraph 20 of the 6 complaint. 7 Do you have that in front of 8 you? 9 A. Yes. 10 Q. In paragraph 20, it states that 11 Plaintiffs' counsel with the assistance 12 of an independent controlling engineering 13 consulting firm analyzed certain 14 production data of SandRidge's wells. 15 Do you see that? 16 A. Yes. 17 Q. Can you identify the petroleum 18 engineering consulting firm that's listed 19 in this paragraph? 20 A. I cannot. 21 Q. Did Northern Nevada play any 22 role in retaining that firm? 23 A. No. 24 Q. Or are you familiar with the 25 analysis that it supposedly conducted?</p>
<p style="text-align: right;">Page 131</p> <p>1 JAMES MACE 2 Q. So that was also after Northern 3 Nevada purchased its SandRidge stock, 4 correct? 5 A. Yes. 6 Q. Are you aware of any reports 7 that anyone within SandRidge believed 8 that the Mississippian was not performing 9 as well as expected at any time before 10 2012? 11 A. I am not aware of any. 12 Q. Okay. And to be clear, you're 13 testifying as a representative of 14 Northern Nevada today? 15 A. Right. 16 Q. Are you aware of any 17 information establishing that prior to 18 2012, the Mississippian was not 19 performing as well as expected? 20 MR. KARAM: Objection. Calls 21 for a legal conclusion. Go ahead. 22 Q. You can answer. 23 A. I am not aware. 24 Q. And to be clear again, you're 25 testifying as a representative of</p>	<p style="text-align: right;">Page 133</p> <p>1 JAMES MACE 2 A. No. 3 Q. Did Northern Nevada do anything 4 to verify that the firm had appropriate 5 qualifications and experience? 6 A. We would have relied on legal 7 counsel. 8 Q. Turn to paragraph 135, if you 9 would. Paragraph 35 says It had become 10 apparent by March of 2012 that there was 11 a steep drop in oil production rates in 12 SandRidge's older wells in the 13 Mississippian, and rates were declining 14 much faster than the type well produced 15 by SandRidge. 16 Do you see that? 17 A. Yes. 18 Q. March 2012 was also after 19 Northern Nevada made its investment in 20 SandRidge, correct? 21 A. Yes. 22 Q. And then the paragraph goes on 23 to talk about an analysis of information 24 provided by SandRidge to the Oklahoma Tax 25 Commission for what was allegedly a</p>

<p style="text-align: right;">Page 166</p> <p>1 JAMES MACE 2 Q. Mr. Mace, we've marked as 3 Exhibit 26, a U.S. Bank account statement 4 for the period from November 1, 2012 to 5 November 30th, 2012. And it's Bates 6 stamped NNEV 414 to 453. 7 Do you have that in front of 8 you? 9 A. Yes. 10 Q. And is that a true and correct 11 copy of an account statement for the 12 account of Northern Nevada that we've 13 been discussing today in which its 14 SandRidge investment was made? 15 (Witness reviews document.) 16 A. Yes. 17 Q. And this is an account for the 18 period that encompasses the end of the 19 Class period, correct? 20 A. Yes. 21 Q. So we'll move on. 22 [The document titled 23 Plaintiffs' Motion For Relief From 24 Orders Pursuant to 25 FED.R.CIV.P.60(b)(6) and Opening</p>	<p style="text-align: right;">Page 168</p> <p>1 JAMES MACE 2 this action on behalf of unitholders in 3 Trust offerings? 4 A. No, I was not. 5 Q. Okay. 6 A. We were not. 7 Q. I am sorry, was Northern Nevada 8 aware that -- 9 A. No. 10 Q. Did Northern Nevada ever 11 consider whether it was in the best 12 interests of common stockholders to allow 13 claims to be reasserted in this action on 14 behalf of unitholders in Mississippian 15 Royalty Trust? 16 A. It would be a question for 17 legal counsel. 18 Q. Okay. As a representative of 19 Northern Nevada, you're not aware of 20 anyone having considered that issue? 21 A. I am not aware. 22 Q. Do you have any understanding 23 as to the funds that might be available 24 to settle this action? 25 A. My understanding was that there</p>
<p style="text-align: right;">Page 167</p> <p>1 JAMES MACE 2 Brief in Support, was hereby marked 3 as Mace Exhibit 27 for 4 identification, as of this date.] 5 Q. We marked as Exhibit 27 6 Plaintiffs' Motion For Relief From Orders 7 Pursuant to FED.R.CIV.P.60(b)(6) and 8 Opening Brief in Support. 9 Have you seen this before? 10 (Witness reviews document.) 11 A. No. 12 Q. Were you aware of this motion 13 for relief? 14 A. No. 15 Q. Do you have any understanding 16 of the relief being sought by Plaintiffs? 17 A. No. 18 Q. I will represent to you, sir, 19 that this motion seeks certain relief 20 permitting certain dismissed claims to be 21 reasserted in the litigation on behalf of 22 investors in units of certain royalty 23 trusts associated with SandRidge. 24 My question for you is: Are 25 aware that claims have been asserted in</p>	<p style="text-align: right;">Page 169</p> <p>1 JAMES MACE 2 was a reserve set aside outside of the 3 bankruptcy. 4 Q. And do you know the 5 circumstances under which the reserve you 6 mentioned was established? 7 A. I do not. 8 Q. Do you know if there are 9 insurance resources available to resolve 10 this action? 11 A. There may be. 12 Q. And if you bring a different 13 class of securities holders into the 14 case, such as unitholders in the 15 Mississippian Royalty Trusts, won't you 16 have essentially a competing set of 17 claimants for the same pot of money, the 18 reserve you're talking about? 19 A. I think it's a legal question. 20 I don't know. 21 Q. Would it be in the interest of 22 the Class that you're seeking to 23 represent to allow a different Class of 24 securities holders to make claims 25 essentially against the same pot of</p>

<p>1 JAMES MACE 2 money? 3 A. Again, it's a legal question in 4 terms of the exposure in the case. 5 Q. And so you haven't given any 6 thought or consideration to that 7 question? 8 A. That's correct. 9 Q. Okay. Do you know whether it 10 would be in the interest of Robbins 11 Geller to have a different Class of 12 security holders come in and assert 13 claims? 14 A. I don't know. 15 Q. Don't know. 16 Do you think it might be an 17 obligation of a Class representative to 18 determine whether motions that are being 19 filed by its counsel are really in the 20 best interests of the Class? 21 A. We would rely on the Trust 22 Fund's legal counsel to give us that 23 direction. 24 Q. But as far as you know, 25 Northern Nevada hasn't considered that</p>	<p>Page 170</p> <p>1 JAMES MACE 2 A. Not seen this, no. 3 Q. I will represent to you it's a 4 set of responses and objections filed by 5 the Lead Plaintiff to document requests 6 that were propounded by my clients James 7 Bennett and Matthew Grubb. 8 And so if you look, starting at 9 page 10, you will see all of the various 10 document requests are listed, and all the 11 various responses that were offered by 12 Northern Nevada. 13 Do you see that? 14 A. Yes. 15 Q. Was Northern Nevada aware that 16 these requests for production have been 17 made? 18 A. Through legal counsel. Legal 19 counsel would have coordinated any of 20 these, any of these pieces of 21 information. 22 Q. What did Northern Nevada do to 23 collect documents in response to this 24 request, these requests? 25 A. If legal counsel did not</p>
<p>1 JAMES MACE 2 issue to date? 3 A. As far as I know. 4 Q. Are you aware of any claims 5 having been dismissed in this action? 6 A. I believe some were excluded, 7 or some were dismissed or there were some 8 reduction. But I don't, can't give you 9 the specifics on that. 10 Q. Okay. 11 [The document titled Defendants 12 James D. Bennett and Matthew K. 13 Grubb's First Set of Requests for 14 Production to Plaintiffs, was hereby 15 marked as Mace Exhibit 28 for 16 identification, as of this date.] 17 Q. Do you have Exhibit 28 in front 18 of you, sir? 19 A. I do, yes. 20 Q. And is this a document that you 21 recognize? 22 (Witness reviews document.) 23 A. I do. 24 Q. And you never reviewed it 25 before?</p>	<p>Page 171</p> <p>1 JAMES MACE 2 already have the documents, then they 3 would have requested it from the, they 4 would have requested it from the Trust 5 Fund's files. 6 Q. Did anyone make a request of 7 you, James Mace, for documents in 8 connection with this litigation? 9 A. Not -- there is some limited 10 requests. Mr. Jenkins asked for some 11 limited documents. 12 Q. And he made that request of 13 you? 14 A. The Trust Fund, yes. 15 Q. So describe the nature of the 16 search that you did to identify documents 17 responsive to these documents requests. 18 A. The investment policy 19 statements or a couple of things like 20 that. 21 Q. And are you aware of having 22 looked for any other documents in 23 response to these requests? 24 A. No. 25 Q. Did anyone else at Northern</p>

<p style="text-align: right;">Page 178</p> <p>1 JAMES MACE 2 at Northern Nevada have personal e-mail? 3 A. I am sure they do. 4 Q. Have any steps been taken to 5 preserve those e-mails? 6 A. I wouldn't know. 7 Q. Was a document retention 8 memorandum sent around to individuals at 9 Northern Nevada, at any point in time? 10 A. Yes. The record retention 11 policy. 12 Q. Beyond the record -- so -- the 13 record retention policy is a general 14 policy; is that right? 15 A. Yes. 16 Q. Was there any document 17 retention memorandum tailored to this 18 litigation sent around? 19 A. No. 20 Q. Has Northern Nevada had any 21 discussions or communications with third 22 parties about this litigation? 23 A. No. Only through legal 24 counsel. 25 Q. Has Northern Nevada ever</p>	<p style="text-align: right;">Page 180</p> <p>1 JAMES MACE 2 Q. Who is Mr. Dereschuk? 3 A. He's the president of Sierra 4 Investment. 5 Q. And who at Northern Nevada had 6 that communication? 7 A. I discussed it with him. And I 8 believe Mr. Jenkins discussed it with 9 him. 10 Q. Okay. And what was the 11 substance of your communication with 12 Mr. Dereschuk? 13 A. Mr. Dereschuk, well, just the 14 direction -- Riazzi, whereas they made 15 the decisions. Riazzi made the 16 decisions. Riazzi was the buy/sell 17 investment manager and not Sierra. Not 18 Mr. Dereschuk. 19 Q. And are you saying that you 20 communicated that to him, or they 21 communicated that to you or -- 22 A. Well, I think it was the 23 substance of a phone call. And it was 24 his disclaimer saying this is a Riazzi 25 issue. It's not a Sierra issue.</p>
<p style="text-align: right;">Page 179</p> <p>1 JAMES MACE 2 communicated with Sierra investment 3 management about this litigation? 4 A. Yeah, to find out -- yes, in 5 terms of what documents they might need. 6 If we needed anything from them or they 7 needed anything from us, to make them 8 aware the case was going. 9 Q. When did those communications 10 with Sierra about the litigation 11 commence? 12 A. I think relatively recently. 13 And in addition we, when litigation 14 commenced, we -- the Trust requested that 15 Baird/Sierra not sell the shares of 16 stock. So that was a communication. 17 Q. Why was that instruction given? 18 A. Requested by legal counsel. 19 Q. Do you have an understanding of 20 the reasons? 21 A. No. 22 Q. Who at Sierra did Northern 23 Nevada communicate with about this 24 litigation? 25 A. Bruce Dereschuk.</p>	<p style="text-align: right;">Page 181</p> <p>1 JAMES MACE 2 Q. Did he reach out to Northern 3 Nevada; is that what happened? 4 A. I don't remember the genesis of 5 the phone call. 6 Q. Okay. Has Northern Nevada had 7 any other communications that you can 8 recall with Sierra? 9 A. No. 10 Q. Has Northern Nevada had any 11 communications with Riazzi Asset 12 Management or anyone there? 13 A. No. I believe they are out of 14 business. 15 Q. And do you know who the 16 principals are at Riazzi who made the 17 investment decisions relating to 18 SandRidge? 19 A. Do not. 20 Q. Has Northern Nevada had -- I 21 think you're going to tell me you don't 22 know, because we didn't know about this 23 organization earlier, but has Northern 24 Nevada had any communication with Baird 25 about this litigation?</p>

	Page 186		Page 188
1		1	
2	EXHIBITS (Continued):	2	EXHIBITS (Continued):
3		3	
4	Exhibit 16 document titled 104 Consent Order With Defendant Trustees	4	Exhibit 27 document titled 166 Plaintiffs' Motion For Relief From Orders Pursuant to FED.R.CIV.P.60(b)(6)
5		5	and Opening Brief in Support
6		6	
7	Exhibit 17 document titled 104 Consent Order With Laborers Plans	7	
8		8	
9		9	
10	Exhibit 18 complaint filed that 104 led to the consent orders	10	Exhibit 28 document titled 171 Defendants James D. Bennett and Matthew K. Grubb's First Set of Requests for Production to Plaintiffs
11		11	
12		12	
13	Exhibit 19 letter from Sierra 109 Investment Partners, Inc., dated October 7th 2008, Bates stamped NNEV0000648	13	(The court reporter has retained all exhibits.)
14		14	
15		15	
16		16	
17	Exhibit 20 letter from Sierra 111 Investment Partners, Inc., dated February 25th, 2012, Bates stamped NNEV0000649	17	DIRECTION NOT TO ANSWER
18		18	Page 10, Line 19
19		19	
20		20	
21	Exhibit 21 document titled 113 Riauzzi Asset Management Small Cap Value, Bates stamped SIERRA_0000002	21	
22		22	
23		23	
24		24	
25		25	
	Page 187		Page 189
1		1	
2	EXHIBITS (Continued):	2	CERTIFICATION
3		3	
4	Exhibit 22 U.S. Bank statement 117 for Northern Nevada's Account for the period Off February 1, 2011 to February 28, 2011, Bates stamped NNEV0000022 through 42	4	I, Dawn Matera, a Notary Public for 5 and within the State of New York, do 6 hereby certify:
5		7	That the witness whose testimony as 8 herein set forth, was duly sworn by me; 9 and that the within transcript is a true 10 record of the testimony given by said 11 witness.
6		12	I further certify that I am not 13 related to any of the parties to this 14 action by blood or marriage, and that I 15 am in no way interested in the outcome of 16 this matter.
7		17	IN WITNESS WHEREOF, I have hereunto 18 set my hand this 24th day of April, 2018.
8		19	
9		20	
10		21	
11	Exhibit 23 U.S. Bank statement 117 for Northern Nevada's account for the period from March 1st, 2011 to March 31st, 2011, Bates stamped NNEV0000044 through 60	22	 Dawn Matera
12		23	
13		24	
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16			
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19	Exhibit 24 U.S. Bank statement 117 for Northern Nevada's account for the period August 1, 2011 to August 31, 2011, Bates stamped NNEV0000138 through 153		
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21	Exhibit 25 Third Consolidated 125 Amended Complaint		
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23	Exhibit 26 U.S. Bank account 165 Statement for the period from November 1, 2012 to November 30th, 2012, Bates stamped NNEV0000414 through 453		
24			
25			

48 (Pages 186 - 189)